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Office of
Governmental
and Public Affairs

Speeches and Major Press Releases

Nov. 18 - Dec. 2, 1983

IN THIS ISSUE:

Remarks—

Prepared for delivery by Secretary of Agriculture John R. Block before the Seventh Annual Conference on Trade, Investment and Development in the Caribbean Basin, Miami, Fla., Nov. 30.

News Releases—

USDA Approves Added Animal Export Facilities

USDA Extends Comment Time on Proposed Changes in Packers and Stockyards Rules

USDA Issues Proposal for Reexport of Sugar-containing Products

CCC-owned Grain Quality in Texas Found Stable

Food Prices Remain Stable in October

USDA Proposes Rule for Imports of Sugar for Polyhydric Alcohol

USDA Approves Louisiana to Import Horses From Cem-affected Countries

National Research Council to Study USDA Meat and Poultry Inspection

Public Hearing Set Feb. 6 on Proposed Kiwifruit Marketing Order

Dietary Guidelines Advisory Committee to Meet Dec. 13 and 14

USDA Opens All of U.S. to Most Mexican Citrus Imports

National Forest Spruce to Serve as Capitol Christmas Tree

USDA to Compensate for Impounded Meat, Official Says

USDA Withdraws Proposal on Feeding Mexican Cattle

States Receive Final Payments From National Forest Receipts

Chinese to Buy Agreement Minimum

USDA's Inspector General Reports to Congress

CCC Loan Interst Rate Remains at 9-7/8 Percent

Sugar Reexport Comment Deadline Dec. 15

USDA Issues Eligibility Guidelines for Corn for Drought Affected Farmers

1983-crop Wheat, Barley, Oats Producers to Receive Deficiency Payments

USDA Releases Cost of Food at Home for October

Cooperatives Increase Share of Milk Supply

USDA Proposes to Increase Overtime Rates Charged to Meat and Poultry Plants

USDA Proposes Regulations on Endangered Plant Species

Remarks

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Prepared for delivery by Secretary of Agriculture John R. Block before the Seventh Annual Conference on Trade, Investment and Development in the Caribbean Basin, Miami, Fla., Nov. 30.

I believe it would be appropriate to begin by quoting what President Reagan said when he sent Congress his plan for the Caribbean Basin Initiative. At that time he said:

What we seek is to help the people in the Basin build for themselves a better life, not just economically but across the full spectrum of human needs and aspirations. History, and particularly the history of this hemisphere, has shown that a pluralistic society with strong, free private institutions . . . is our best hope in moving toward that ultimate goal.

The president recognized that yet another government-to-government development program would not move us closer to that goal. So as CBI has taken shape, there's been a strong drive to harness the expertise of private groups, particularly business.

The hopes of CBI have come to rest heavily on the ability of private organizations like the Caribbean/Central American Action, to help stimulate agriculture and industry in the Basin region.

The benefits of development

Not all private businesses have seen the tremendous importance and potential of development programs. This is why I have made a point of telling them that international development is ultimately very much in their self interest.

Programs like CBI aren't giveaways. By strengthening the economies of developing countries we do a lot of good for our own businesses.

The growth markets of the future for American agricultural and industrial goods are not Europe and Japan. Three out of four people now live in developing countries. That proportion is likely to grow larger—not smaller—in the years ahead.

The developing world is where we must look for stronger export sales. The lion's share of the growth in U.S. exports from 1975 to 1980 was not in sales to the Europeans or Japanese. It was in sales to

developing countries. Nearly half of all U.S. exports are now bought by the peoples of the developing world. Keep in mind, those sales generate well over a million jobs.

In agriculture alone, hundreds of thousands of U.S. workers are employed as a result of exports of food and fiber to developing countries. Last fiscal year, those sales amounted to almost $14.3 billion. That is over 40 percent of our total sales.

To make certain you have not missed my point, let me say it in another way: More than at any time in our history, the health of the U.S. economy depends on trade with the developing world.

A while ago I read an interesting account of how directly we are affected here at home by the prosperity—or the lack of it—in neighboring countries. The past recession really illustrates the point.

About half the decline in our gross national product last year came from a deterioration in our international accounts, especially sales to developing countries. Without this overall drop in exports, our GNP would actually have gone up two percent in the last half of 1982, instead of slipping a fraction of a percent.

The farmers of this country have a big stake in development. One farm worker in six depends on exports for a job. One-fifth of U.S. farm income stems from those sales. The rapid expansion of our farm exports in the last 20 years has increased the reliance of our farmers on foreign economic growth and trade.

A comprehensice approach to development

The Caribbean Basin Initiative is a comprehensive approach to development. It combines private and public efforts. It's not just a bilateral program. Canada, Mexico, Venezuela, and Colombia have all joined us. A major strength of CBI is how it strives to integrate trade, aid and investment in attacking the economic troubles of the Basin countries.

Trade

Let's look at the trade aspects of the program.

The duty free access to the U.S. market is the centerpiece of CBI and the major reason the program holds such good promise. For decades, people have really stressed the importance of aid in development, giving little attention to trade.

Let's look at the facts. The developing world earned $580 billion through exports in 1980. That was 17 times the amount those countries received from foreign aid. By putting trade up front in development, we are being more realistic, we have a better chance of seeing lasting economic growth.

A number of people have raised questions about this duty free treatment and how it will affect U.S. producers. The final CBI legislation provides more than adequate protection for domestic producers of perishable horticultural products. The "fast track" appeal procedure set out in the law should help us defuse any potential conflicts.

Another question that came up about the trade provisions of CBI was how building Caribbean exports might hurt food availability in some countries. That surely was not one of our objectives. In fact, we've taken steps like requiring "Food Production Plans" to be sure domestic shortages or other problems don't occur because of duty-free exports to the United States.

Aid

Many of the aid provisions of CBI were specifically designed to support the central focus of building trade. A number of the projects sponsored by the Agency for International Development are devoted to building the infrastructure needed for stronger trade.

At USDA we also have made our assistance trade oriented. We recently held a marketing workshop here in Miami in which we offered advice to Caribbean countries in the areas of standards and grades so they can sell their products more effectively in international markets.

USDA has also been actively working to help modernize and diversify agriculture in the Caribbean. Let's look at just a few of our

activities:

— In cooperation with the Agency for International Development, we've offered training for over 100 agricultural students from the Caribbean. The courses covered a wide variety of topics. Nine Caribbean countries, for example, sent students to USDA courses last year on plant protection and quarantine.

— On the research front, USDA scientists have played an active role in setting research priorities for the region. Last August, I helped inaugurate the Medfly sterilization facility in Guatemala. This is part of our extensive Medfly control program with Mexico, Guatemala and Belize.

— In the technical assistance area, we have foresters working to help grow teak in the Caribbean, cooperative specialists assigned to Panama and Honduras, efforts to improve small farm cropping systems in Barbados and an assessment team looking at the agricultural sector in Grenada.

— In 1984, USDA will help operate plant fumigation facilities in Jamaica and Haiti. We will continue to monitor exotic animal diseases in Central America and Panama and look for ways to prevent the spread of these diseases.

Since there are so many players in the assistance picture in the Caribbean, we are working to increase coordination among multilateral development banks, bilateral donors, and private organizations that are active in the region.

We have not forgotten President Reagan's commitment to help Puerto Rico and the Virgin Islands under CBI. We are making significant contributions there. These include extending a federal crop reinsurance program to Puerto Rico, loans for rural development in the Virgin Islands and we recently held a food procurement workshop in San Juan to reduce the costs of providing institutional food services. Another workshop is slated for the Virgin Islands next year.

Investment

In the investment area, USDA is working with AID, Commerce, and the Overseas Private Investment Corporation. We want to encourage U.S. businesses to start up joint ventures and make new

investments in the Caribbean region.

I have named 30 U.S. agricultural leaders to be members of USDA's Agribusiness Promotion Council to encourage U.S. private agricultural investment in the Caribbean Basin. The council met with me just this morning. It is planning a number of activities in agricultural marketing, management training, and investment missions.

In addition to this council, USDA's Office of International Cooperation and Development has set up an Agribusiness Information Center to handle public inquiries on agricultural business opportunities in the Caribbean. In fact, staff from that information center will be manning the USDA booth at this conference.

Eventually, we feel all these efforts will not only return good profits to U.S. companies, but they will also help Caribbean nations diversify and add greater depth to their economic base.

Emphasis on agriculture

One of the major aspects of the CBI program that pleases me most is that it wisely places strong emphasis on agriculture. That's the way it should be. You have to start with agriculture.

In the last few years we've seen some trends in the Caribbean that make renewed emphasis on agriculture even more important. The food import bills of the region are more than twice as high as they were in 1975. And recently the average growth rate in the agricultural sectors of these nations have begun to slide.

In the 1970s we were looking at growth rates of four to six percent yearly. Last year the average fell below two percent.

The peoples of the Caribbean get half their export earnings from agriculture. So it's critical that we see a return to sound growth in agricultural production. But that growth should be planned carefully.

It's essential that the development of Caribbean agriculture be based on a keen awareness of the concept of comparative advantage in trade. We should not encourage farmers to grow crops they cannot produce economically. If we did, we would only be wasting valuable capital, land, and labor.

The work of private groups like the Caribbean/Central American Action will, in large part, determine whether we see economic development or continued stagnation in the Caribbean in the next few years. If business and government can forge an effective partnership under CBI, I think we will see an end to the economic crisis in this region.

The governments of the Caribbean nations know that they must adopt policies that will spur private agricultural and industrial development. I believe they are ready to do their share to create new economic opportunities.

If we can build a dynamic private sector in the Basin countries, we will see new jobs, new services, and new goods for people who have endured poverty for too long. There will be obstacles along the way. There always are. But with your help I'm confident those obstacles will be overcome.

You can help shape a new future for the Caribbean—a future of prosperity, freedom and peace. Thank you.

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USDA APPROVES ADDED ANIMAL EXPORT FACILITIES

WASHINGTON, Nov. 21—U.S. Department of Agriculture officials have approved additional animal export facilities in San Francisco and New York.

Bert W. Hawkins, administrator of USDA's Animal and Plant Health Inspection Service, said facilities operated by Petair, Inc., at San Francisco, and by the Alex Nichols Agency at John F. Kennedy International Airport, New York, N.Y., have been inspected and found to meet USDA criteria for handling export livestock shipments.

Hawkins said Petair, Inc., provides a second export facility in San Francisco. The Cow Palace is also an approved facility for handling animals that require USDA export health certification.

The Alex Nichols facility in New York is in addition to the SPCA Animalport at John F. Kennedy International Airport, both of which are approved to export horses only. General exports of livestock and poultry through the port of New York are handled at Stewart Airport, Newburgh, N.Y.

In today's action, USDA officials also redesignated livestock export facilties at Los Angeles to handle ocean shipments, as well as air exports.

Hawkins said livestock and poultry export facilities must have adequate shelter, lighting, sanitation, feed and water, as prescribed by USDA regulations. They must also provide inspection facilities for veterinary examinations and safe holding pens, gates, walkways and loading chutes.

In addition to New York, San Francisco and Los Angeles, approved livestock export facilities are at Stockton, Calif.; Miami and Tampa, Fla.; Indianapolis, Ind.; Chicago, Ill.; Lexington, Ky. (horses only, through the Cincinnati airport); New Iberia, La.; Minneapolis, Minn.; Harrisburg, Pa.; Portland, Ore.; San Juan, P.R. (horses only); Brownsville, Del Rio, Eagle Pass, El Paso, Houston and Laredo, Texas; Richmond, Va.; and Moses Lake and Seattle, Wash.

Send comments, until Jan. 23, to: Thomas O. Gessel, Director, Regulatory Coordination Staff, APHIS, USDA, Room 870 Federal Building, 6505 Belcrest Rd., Hyattsville, Md. 20782.

Notice of this action is scheduled to be published in the Nov. 22 Federal Register.

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USDA EXTENDS COMMENT TIME ON PROPOSED CHANGES IN PACKERS AND STOCKYARDS RULES

WASHINGTON, Nov. 21—The U.S. Department of Agriculture has extended the public comment period from Nov. 22 until Dec. 2 on its sixth and final group of proposed changes in rules governing the marketing of livestock, poultry and meat under the Packers and Stockyards Act.

James L. Smith, deputy administrator of USDA's Packers and Stockyards Administration, said the proposal includes provisions to consolidate a large number of rules, remove some which are no longer needed or are unduly burdensome and clarify others.

"We think these changes would clarify the legal requirements under the P&S Act and reduce the regulatory burden on the industry without lessening the protection afforded for producers, consumers and industry members under the act," Smith said.

Comments should be sent to the Packers and Stockyards Administration, Room 3039 South Building, USDA, Washington, D.C. 20250. Phone: (202) 447-7551.

#

USDA ISSUES PROPOSAL FOR REEXPORT OF SUGAR-CONTAINING PRODUCTS

WASHINGTON, Nov. 23—The U.S. Department of Agriculture has proposed a rule that would permit U.S. manufacturers of sugar-containing products to become more competitive on the world market

by providing them access to world-priced sugar, according to Under Secretary of Agriculture Daniel G. Amstutz.

Amstutz said the proposal would permit these manufacturers to import sugar free of existing quotas, or to acquire such sugar from U.S. refiners as long as it is solely for reexport in sugar containing products. Currently, they must pay a significantly higher price for sugar than the world price available to foreign manufacturers, he said.

Amstutz said a presidential proclamation issued last November had amended the U.S. import quota on sugar, syrups and molasses by granting USDA authority to issue rules to allow imports of sugar exempt from quota if the sugar is reexported in sugar-containing products.

Under the proposed rule, licenses may be issued for the entry of sugar into the United States exempt from quota, or for the transfer of such sugar from a U.S. refiner, if it is then exported in a sugar-containing product.

Licenses may be issued only to manufacturers of sugar-containing products and are not assignable unless specifically authorized, Amstutz said. However, a manufacturer may employ an agent to import or transfer sugar on his or her behalf. There is a 10,000-short-ton, raw value limit per license.

To guarantee that sugar imported or transferred under a license is used only for the purposes intended, the manufacturer must post a bond to cover all imports or transfers under a license.

Public comments on the proposal should be sent to the chief, sugar group, horticultural and tropical products division, Foreign Agricultural Service, USDA, Washington, D.C. 20250. The deadline for receiving comments is Dec. 15.

Additional information is scheduled to appear in the Nov. 23 Federal Register and also is available from Carol Brick-Turin (202) 447-6939.

#

CCC-OWNED GRAIN QUALITY IN TEXAS FOUND STABLE

WASHINGTON, Nov. 23—Deputy Secretary of Agriculture Richard E. Lyng today said the nearly 23 million bushels of Commodity Credit Corporation corn stored in Plainview, Texas have been found to be in stable condition after completion of extensive testing by the U.S. Department of Agriculture.

The "deep-probe" analysis, a highly accurate method for determining the quality of stored grain, was initiated in early November by Secretary of Agriculture John R. Block following earlier reports that the grain was deteriorating. "This federal inspection refutes any charges to the contrary," Lyng said. "Those charges were based on the results of an unofficial, less sophisticated testing procedure."

"It is important to remember that this grain was never intended for human consumption," Lyng said. "It was livestock feed grain when it went into storage, and the results of our re-examination indicate it is holding its normal condition. This grain is not deteriorating."

Specific results of the testing show that 333,077 bushels have a U.S. Yellow Corn Grade 1 quality; 4,299,383, Grade 2; 7,962,991, Grade 3; 6,124,837, Grade 4; 1,969,302, Grade 5; and 2,107,978, Sample Grade. The lower grades (4, 5 and Sample) relate to broken kernels which do not affect the nutritional value for feeding purposes.

The inspection also determined that the grain is currently stored under acceptable conditions. The complete report will be provided to the Congress and made available to the public during the week of Nov. 28.

#

FOOD PRICES REMAIN STABLE IN OCTOBER

WASHINGTON, Nov. 23—The consumer price index for food in October rose 0.1 percent from the September level (before seasonal adjustment), according to the monthly consumer price index released today by the U.S. Department of Labor.

Prices for food bought in grocery stores in October declined 0.1 percent from the September level, and were only 1 percent above

October a year ago. In contrast, prices for restaurant meals and snacks rose 0.5 percent in October and were 4.2 percent above a year earlier.

According to Assistant Secretary of Agriculture William Lesher, "Food prices are likely to remain stable during the next several months due to large supplies of meats. But upward pressure on food prices will develop in 1984 from further increases in marketing costs, stronger consumer demand and smaller meat supplies in the second half of next year."

Food prices next year are expected to average 4 to 7 percent higher than this year, he said.

Prices for meats dropped 0.8 percent in October. Beef and veal prices fell 0.7 percent, reflecting large supplies, as producers continued to reduce cattle inventories. Pork prices declined 1.5 percent in October, and were 11.3 percent below a year earlier.

Poultry prices dropped 2.4 percent in October, due to increased production that lowered chicken prices. However, retail prices of eggs rose in October and were 13.8 percent higher than a year ago.

Fruits and vegetables prices dropped 0.3 percent in October. Fresh fruit prices declined 3.9 percent, led by apples (down 15.1 percent) and oranges (down 11.3 percent), due to increased supplies of most fresh fruits.

Retail prices for fresh vegetables rose, however. Tomato prices were higher, due to reduced supplies, while potato prices were lower, due to increased supplies.

Prices of fats and oils continued to increase, reflecting higher soybean prices resulting from the summer drought.

October Retail Food Prices, Percent Change for Selected Items

Items	September to October: Not seasonally adjusted	September to October: Seasonally adjusted	October 1982 to October 1983
	Percent change		
All food	0.1	0.5	2.1
Food away from home	0.5	0.6	4.2
Food at home	-0.1	0.4	1.0
Meats	-0.8	0.0	-5.3
Beef and veal	-0.7	0.9	-2.2
Pork	-1.5	-1.5	-11.3
Other meats	-0.2	*	-3.7
Poultry	-2.3	*	2.1
Eggs	3.5	5.7	13.8
Fish and seafood	0.4	0.7	1.9
Dairy products	0.0	*	1.2
Fats and oils	2.4	*	4.9
Cereals and bakery prods.	0.1	*	3.2
Fruits and vegetables	-0.3	1.6	5.7
Nonalcoholic beverages	1.2	1.0	2.1
Sugar and sweets	-0.2	*	1.3
Other prepared foods	-0.4	*	2.3

* A seasonally adjusted index is not available for these items.

#

USDA PROPOSES RULE FOR IMPORTS OF SUGAR FOR POLYHYDRIC ALCOHOL

WASHINGTON, Nov. 23—The U.S. Department of Agriculture has proposed a rule that would permit U.S. manufacturers to import sugar free of existing quotas for the production of polyhydric alcohol, according to Under Secretary of Agriculture Daniel G. Amstutz.

Under the proposal, licenses would be issued for the importation of sugar to be used only for the production—other than by distillation—of polyhydric alcohols, except for use as a substitute for sugar in human food. Authority for the change is provided by a presidential proclamation issued last November.

Polyhydric alcohol is an organic solvent used in the production of other chemicals.

Under the proposal, licenses would be issued only to a manufacturer of polyhydric alcohol or his or her agent, with a one-year limit for each license. To guarantee that sugar imported under a license be used only for the purposes intended, the manufacturer would be required to post a bond to cover all entries under the license.

The proposed rule would permit U.S. manufacturers to buy sugar at world prices, which are currently about 8 cents per pound compared with U.S. prices of 22 cents per pound, Amstutz said.

Comments and suggestions on the proposal should be sent to the chief, sugar group, horticultural and tropical products division, FAS, USDA, Washington, D.C. 20250. Deadline for receiving comments is Dec. 9.

Additional information on the proposal is scheduled to appear in the Federal Register Nov. 25 and also is available from Gordon Patty (202) 447-2579.

#

USDA APPROVES LOUISIANA TO IMPORT HORSES FROM CEM-AFFECTED COUNTRIES

WASHINGTON, Nov. 25—Louisiana has been approved to handle breeding-age stallions and mares imported from countries affected with contagious equine metritis, a U.S. Department of Agriculture official said today.

Bert W. Hawkins, administrator of USDA's Animal and Plant Health Inspection Service, said Louisiana's animal health regulations meet federal requirements for quarantining, testing and treating adult stallions and mares from countries affected with this venereal disease of horses.

Federal import regulations require inspection, treatment and certification of breeding age horses before shipment from countires affected with the disease, followed by U.S. port-of-entry quarantine and precautionary isolation, treatment, examination and testing in an approved state.

Seven states are approved to import both mares and stallions. They are: California, Colorado, Kentucky, Louisiana, New York, South Carolina and Virginia. In addition, Maryland, North Carolina and Ohio are approved to import stallions.

Countries listed by USDA officials as affected by contagious equine metritis are: Australia, Austria, Belgium, Denmark, Federal Republic of Germany, France, Ireland, Italy, Japan, Sweden and the United Kingdom.

Contagious equine metritis is a bacterial disease of horses that is transmitted primarily through breeding. It directly affects only the mares, although stallions may be mechanical carriers. Thorough scrubbing and treating the stallion's genitalia renders him free of the bacteria.

Notice of this action is schedued to be published in today's Federal Register. Comments may be sent through Jan. 26 to: Thomas O. Gessel, Director, Regulatory Coordination Staff, APHIS, USDA Rm. 728 Federal Building, Hyattsville, Md., 20782.

#

NATIONAL RESEARCH COUNCIL TO STUDY USDA MEAT AND POULTRY INSPECTION

WASHINGTON, Nov. 25—The National Research Council will study the effectiveness of existing and proposed procedures used to inspect meat and poultry for safety, wholesomeness and labeling accuracy, Assistant Secretary of Agriculture C.W. McMillan said today.

The National Research Council is the operating arm of the National Academy of Sciences and the National Academy of Engineering.

"During the past three years, we have implemented badly needed changes in inspection to keep pace with modern technology, and we have sought legislative authority to do still more modernizing,"

McMillan said. "We have, as a result, been criticized by some who want to maintain the status quo.

"While we in the U.S. Department of Agriculture are confident of the scientific soundness of our efforts, we believe also that public confidence would be enhanced by an independent outside assessment," the USDA official said.

The National Academy of Sciences will focus on the scientific adequacy of traditional, newly implemented, and proposed inspection approaches, McMillan said. The study will assess the health risk present in the meat and poultry supply from animal disease, bacterial contamination and chemical residues and will determine the effectiveness of USDA inspection methods in minimizing these risks.

The 18-month contract was awarded Nov. 15, with the final report due in April 1985.

Under the federal meat and poultry inspection laws, USDA conducts mandatory inspection of slaughtering and processing plants. USDA has over 8,000 inspectors in more than 7,500 meat and poultry plants nationwide.

In recent years, USDA's Food Safety and Inspection Service has modernized procedures used to inspect chickens, swine and processed products and is testing new methods of turkey and cattle inspection. The new procedures, developed in response to new technology and changes in disease incidence, allow inspectors to check product more efficiently.

USDA studies indicate the new methods are as effective as traditional methods in protecting consumers.

The department inspected 122 million head of livestock, 4.4 billion birds and 107.8 billion pounds of processed products in fiscal 1982.

#

PUBLIC HEARING SET FEB. 6 ON PROPOSED KIWIFRUIT MARKETING ORDER

WASHINGTON, Nov. 29—The U.S. Department of Agriculture will hold a public hearing Feb. 6 in Sacramento, Calif., to consider a

proposal to establish a federal marketing order for kiwifruit grown in Oregon and California.

The hearing will start at 9 a.m. in Room 127 of the California Department of Food and Agriculture, 1220 "N" St., in Sacramento.

Vern F. Highley, administrator of USDA's Agricultural Marketing Service, said the marketing order would authorize grade, size, quality, maturity and pack regulations. Administrative costs would be financed with assessments paid by kiwifruit handlers.

Kiwifruit Growers of California, Inc., submitted the proposed order to USDA with a request for a public hearing.

"The marketing order would apply only to kiwifruit produced in California and Oregon," Highley said. "The proposal calls for a committee of nine growers and one public member to work with USDA in administering the program," he said.

"After the hearing we will issue a recommended decision based on the hearing record and will ask for public comments," said Highley. "To go into effect, the marketing order would have to be approved in a referendum of kiwifruit growers."

The hearing notice is scheduled to be published in the Nov. 30 Federal Register and will be mailed to all known kiwifruit growers and handlers in the areas. Copies are also available from: William J. Doyle, Fruit and Vegetable Division, AMS, USDA, Washington, D.C. 20250, Phone: (202) 447-5975; or William B. Blackburn, AMS, USDA, P.O. Box 255507, Sacramento, Calif. 95865, Phone: (916) 484-4855.

#

DIETARY GUIDELINES ADVISORY COMMITTEE TO MEET DEC. 13 AND 14

WASHINGTON, Nov. 29—The Dietary Guidelines Advisory Committee will meet Dec. 13 and 14 in Washington, D.C.

The meeting, which is open to the public, will begin at 10 a.m. Dec. 13 in the auditorium of the Hubert H. Humphrey Building, U.S. Department of Health and Human Services, 200 Independence Avenue, S.W. The Dec. 14 session will begin at 9 a.m.

The U.S. Department of Agriculture and the U.S. Department of Health and Human Services established the committee to review comments on the publication "Nutrition and Your Health: Dietary Guidelines for Americans," and to make recommendations.

The December agenda includes a review of progress of the dietary guidelines subcommittees since the July 1983 meeting, a review of written comments received since July 1983, discussion of any proposals related to the Dietary Guidelines and plans for future committee work.

#

USDA OPENS ALL OF U.S. TO MOST MEXICAN CITRUS IMPORTS

WASHINGTON, Nov. 29—Mexican citrus—except for Mexican limes, also known as key limes, and any citrus from the area quarantined for citrus canker —may now be imported commercially into all of the United States.

U.S. Department of Agriculture officials said the citrus being imported would be subject to certification that it is from a disease-free area and that it has been disinfected.

USDA had banned Mexican citrus from U.S. citrus-growing areas since a bacterial disease identified as a mild strain of citrus canker was found in the Mexican state of Colima and some surrounding areas in 1982, said Harvey L. Ford, deputy administrator of USDA's Animal and Plant Health Inspection Service.

"We have been able to relax the restrictions because intensive surveys done by U.S. and Mexican plant pathologists have shown no significant spread of the disease," Ford said. "In addition, we have learned a good deal about the nature of the disease and now believe that fruit is unlikely to serve as a means of spreading the disease."

Budwood or nursery stock that might be imported to improve domestic varieties of key limes would present an extreme hazard, he said, and USDA will continue to prohibit their import.

"We will also continue to require disinfection of Mexican fruit and a certificate stating that the fruit is from a disease-free area, as additional safeguards," he said.

Non commercial citrus imports will continue to be prohibited, he said, along with all key limes. All citrus from Colima and other infested areas in Mexico will also continue to be prohibited.

#

NATIONAL FOREST SPRUCE TO SERVE AS CAPITOL CHRISTMAS TREE

WASHINGTON, Nov. 30—A 52-foot tall white spruce from the Chequamegon National Forest in northern Wisconsin will serve as the 20th annual Capitol Christmas Tree, R. Max Peterson, chief of U.S. Department of Agriculture's Forest Service, said today.

The Capitol Christmas Tree will be displayed on the West Front Lawn of the Capitol where it traditionally serves as a national symbol of peace and goodwill for the holiday season.

"The selection of this tree as the Capitol Christmas Tree is particularly appropriate," Peterson said. "It comes to us from the Chequamegon National Forest where it was grown on the site of the former Riley Creek Civilian Conservation Corps camp. Both the Chequamegon and conservation corps are celebrating their 50th anniversaries this year."

The tree was cut Nov. 28 and will arrive at the Capitol at 10 a.m. Dec. 5. Under the direction of the Architect of the Capitol, nearly 10,000 lights and ornaments will be placed on the tree.

The public is invited to attend special tree lighting ceremonies scheduled for 5 p.m. Dec. 14. The ceremonies will include a performance of two new songs composed for the occasion, as well as seasonal music performed by the U.S. Marine Corps band. The tree will be lighted each evening between 5 and 10 p.m. until Jan. 2.

#

USDA TO COMPENSATE FOR IMPOUNDED MEAT, OFFICIAL SAYS

WASHINGTON, Nov. 30—The U.S. Department of Agriculture said it will supply replacement beef or other meat products for the national school lunch program to compensate for ground beef impounded from two packing plants. The announcement was made yesterday by Assistant Secretary of Agriculture Mary C. Jarratt to officials of the American School Food Service Association.

USDA recently impounded about 18 million pounds of ground beef following allegations against Cattle King, Denver, Colo., concerning conditions in its plants. The impounded meat was produced by Cattle King and by Stanko Packing Company, of Gering, Neb., an affiliate of Cattle King. The USDA Office of the Inspector General and the Department of Justice are investigating.

"We cannot take chances with the health and safety of our school children," Jarratt said. "USDA has taken every possible precaution in this particular matter. Our actions have been in keeping with the high standards we've always maintained in the USDA commodity program."

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USDA WITHDRAWS PROPOSAL ON FEEDING MEXICAN CATTLE

WASHINGTON, Nov. 30—U.S. Department of Agriculture veterinarians have withdrawn a proposal that would have permitted producers to import Mexican cattle to quarantined U.S. feedlots without herd-of-origin or port-of-entry brucellosis tests.

John K. Atwell, deputy administrator of USDA's Animal and Plant Health Inspection Service, said the proposal would have permitted female cattle and bulls from Mexico to be fed in the United States under specific restrictions, and subsequently returned to Mexico.

Atwell said 27 of 38 public comments opposed the proposal; those opposing said the restrictions would not prevent the spread of brucellosis.

"After reviewing the proposal and comments, we agree that it would take excessive monitoring by USDA inspectors to ensure that all requirements were met," Atwell said. "In addition, existing regulations provide for testing cattle for brucellosis at the port-of-entry without complying with herd-of-origin test requirements. This would permit entry of cattle for feeding at quarantined feedlots."

The notice of withdrawal is scheduled to be published in the Dec. 1 Federal Register.

#

STATES RECEIVE FINAL PAYMENTS FROM NATIONAL FOREST RECEIPTS

WASHINGTON, Nov. 30—Forty states and Puerto Rico will receive more than $193 million as their shares of national forest receipts for fiscal 1983, Assistant Secretary of Agriculture John B. Crowell, Jr., said today.

By law, the U.S. Department of Agriculture is required to return 25 percent of national forest system revenues to the states where the lands are located to be used for schools and roads. This money, collected by USDA's Forest Service, comes from timber sales, grazing, recreation and other land uses on the 191 million acres of national forest system land, Crowell said.

USDA made an interim payment of $127 million to the states Oct. 1 based on estimated national forest revenues for the year. A final payment—based on actual receipts—of $66 million will be paid Dec. 1. Actual fiscal 1983 receipts from the sale and use of national forest resources totaled $771 million, Crowell said.

The payments do not include 25 percent of the 1983 national grassland revenues. Those payments are based on calendar 1983 receipts and will be made in March 1984, he said.

The three states to receive the largest payments are, in order, Oregon, $69 million; California, $43 million; and Washington, $21 million.

Summary of payments to states from national forest receipts fiscal 1983

STATE	TOTAL PAYMENT	STATE	TOTAL PAYMENT
Alabama	$2,247,058.73	New Hampshire	276,335.60
Alaska	1,375,068.41	New Mexico	1,284,181.82
Arizona	3,368,546.45	North Carolina	960,236.67
Arkansas	5,302,970.40	North Dakota	73.53
California	42,551,120.38	Ohio	75,385.15
Colorado	2,025,107.30	Oklahoma	700,136.67
Florida	2,559,030.46	Oregon	69,212,544.63
Georgia	1,081,424.18	Pennsylvania	1,394,098.08
Idaho	6,874,295.54	South Carolina	3,349,507.30
Illinois	85,465.01	South Dakota	620,742.01
Indiana	163,522.23	Tennessee	403,482.09
Kentucky	294,946.43	Texas	4,194,179.89
Louisiana	3,873,570.39	Utah	755,549.23
Maine	18,515.61	Vermont	120,018.62
Michigan	943,444.21	Virginia	583,280.83
Minnesota	1,374,837.81	Washington	20,640,168.04
Mississippi	6,773,430.29	West Virginia	274,222.54
Missouri	1,552,729.54	Wisconsin	556,391.49
Montana	4,505,490.31	Wyoming	750,867.11
Nebraska	36,168.11	Puerto Rico	12,848.40
Nevada	251,732.09		
		TOTAL	$193,422,723.58

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CHINESE TO BUY AGREEMENT MINIMUM

WASHINGTON, Nov. 30—The Chinese embassy here informed the United States today that during the remainder of this year China would buy the 2 million tons of U.S. grain necessary to meet the minimum 6 million tons required under the U.S.-China long-term grain agreement. Some of the grain may not be shipped until 1984.

China has purchased about 4 million tons of U.S. grain thus far this year, leaving 2 million tons to be purchased to reach the 6-million-ton minimum called for in the agreement.

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USDA'S INSPECTOR GENERAL REPORTS TO CONGRESS

WASHINGTON, Dec. 1—Investigations by the U.S. Department of Agriculture's Office of Inspector General led to 673 indictments and 261 convictions, according to the agency's semiannual report released to Congress today.

The report covers the period from April 1 to Sept. 30, 1983, during which 527 audit reports were issued and 1,287 investigations completed. The office closed 611 audit reports and resolved 83 others, resulting in total savings or cost avoidance of $634 million.

"This represents $130.2 million in claims established for recovery, $208.7 million in disallowed costs and loans, $294.8 million in agreed-upon savings and managements improvements and $500,000 in sanctions during the period," said John Graziano, USDA's inspector general.

Single copies of the USDA's OIG semiannual report to the Congress are available from L. L. Free, assistant inspector general, Room 8-E, U.S. Department of Agriculture, Washington, D.C. 20250; telephone (202) 447-6915.

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CCC LOAN INTERST RATE REMAINS AT 9-7/8 PERCENT

WASHINGTON, Dec. 1—Commodity and farm storage loans disbursed in December by the U.S. Department of Agriculture's Commodity Credit Corporation will have a 9-7/8 percent interest rate, CCC Executive Vice President Everett Rank said today.

The rate for this month is the same in effect during November and reflects the interest rate charged CCC by the U.S. Treasury in December, Rank said.

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USDA ISSUES ELIGIBILITY GUIDELINES FOR CORN FOR DROUGHT AFFECTED FARMERS

WASHINGTON, Dec. 1—The U.S. Department of Agriculture today issued eligibility and quantity guidelines for the emergency feed assistance program to sell Commodity Credit Corporation-owned low grade corn to livestock producers whose livestock feed suffered because of drought, hot weather or related disaster.

The farmer or rancher must be located in a county designated by the U.S. Department of Agriculture as a disaster area due to drought, said Everett Rank, administrator, USDA's Agricultural Stabilization and Conservation Service. The farmer or rancher also must have suffered a loss of feed normally produced on the farm and must not have sufficient feed on hand to maintain foundation livestock and poultry through the end of the 90-day feeding period, which begins when a producer applies for assistance. Signup begins on Dec. 6 and runs through Dec. 14.

CCC-owned lower grade corn will be sold to producers at 75 percent of the current basic county loan rate for the average quality of available corn in the county where the corn is stored, Rank said.

The maximum amount of assistance that may be granted is 10 pounds of feed grain per day per animal unit times the number of days in the feeding period. The maximum amount is reduced by the amount of feed on hand and the total amount may not exceed the amount of production lost.

Rank said farmers and ranchers should contact their county offices of USDA's Agricultural Stabilization and Conservation Service beginning Dec. 6 for further details and to make application for assistance.

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1983-CROP WHEAT, BARLEY, OATS PRODUCERS TO RECEIVE DEFICIENCY PAYMENTS

WASHINGTON, Dec. 2—Eligible wheat farmers soon will receive an estimated $735 to $765 million in deficiency payments on their 1983 crop, barley farmers will get about $35 to $40 million, and oats farmers about $7 to $10 million, according to Everett Rank, administrator of the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service.

Rank said deficiency payments are required under the 1983 wheat, barley, and oats programs because average market prices received by farmers during the first five months (June through October) of the marketing year were below established target price levels of $4.30 per bushel for wheat, $2.60 for barley, and $1.60 for oats.

The deficiency payment rate is based on the difference between the established target price and the higher of the national weighted average market price for June through October or the loan rate.

National weighted average market prices were $3.51 per bushel for wheat, $2.39 per bushel for barley, and $1.49 for oats. Thus, eligible producers will be paid 65 cents per bushel for their 1983-crop wheat based on the $3.65 loan rate, 21 cents per bushel for this year's barley, and 11 cents for oats, based on the national weighted average market price.

Deficiency payments will be made to wheat, barley, and oats farmers who participated in the 1983 acreage reduction programs. Rank said the payment checks will be issued through local ASCS offices as soon as possible after Dec. 9.

Producers participating in the acreage reduction programs were eligible for advance deficiency payments at a rate of 32.5 cents for wheat, 20 cents for barley, and 7.5 cents for oats. Final deficiency payments will be reduced by payments advanced to the producer for the respective crop. A total of $344 million has been paid in advance deficiency payments for wheat, $27 million for barley and almost $2 million for oats.

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USDA RELEASES COST OF FOOD AT HOME FOR OCTOBER

WASHINGTON, Dec. 2—Here is the U.S. Department of Agriculture's monthly update of the weekly cost of food at home for October 1983.

	Plans			
	Thrifty	Low-cost	Moderate-cost	Liberal
Families:				
Family of 2 (20-50 years)	$35.20	$44.20	$54.40	$67.10
Family of 2 (51 years and over)	33.30	42.30	51.90	61.80
Family of 4 with preschool children	51.20	63.60	77.50	94.50
Family of 4 with elementary school children	58.70	74.80	93.30	111.90
Individuals in four-person families:				
Children:				
1-2 years	9.20	11.10	12.90	15.50
3-5 years	10.00	12.30	15.10	18.00
6-8 years	12.20	16.20	20.20	23.60
9-11 years	14.50	18.40	23.60	27.30
Females:				
12-19 years	15.20	18.10	21.90	26.40
20-50 years	15.20	18.80	22.80	28.90
51 and over	15.00	18.20	22.40	26.60
Males:				
12-14 years	15.20	20.90	26.00	30.50
15-19 years	15.90	21.70	26.80	31.00
20-50 years	16.80	21.40	26.70	32.10
51 and over	15.30	20.30	24.80	29.60

USDA's Human Nutrition Information Service computes the cost of food at home for four food plans—thrifty, low-cost, moderate-cost and liberal.

Isabel Wolf, administrator of the Human Nutrition Information Service, said the plans consist of foods that provide well-balanced meals and snacks for a week.

USDA assumes all food is bought at the store and prepared at home. Costs do not include alcoholic beverages, pet food, soap, cigarettes, paper goods and other nonfood items bought at the store.

"USDA costs are only guides to spending," Wolf said. "Families may spend more or less, depending on such factors as where they buy their food, how carefully they plan and buy, whether some food is produced at home, what foods the family likes and how much food is prepared at home.

"Most families will find the moderate-cost or low-cost plan suitable," she said. "The thrifty plan, which USDA uses to set the coupon allotment in the food stamp program, is for families who have tighter budgets. Families with unlimited resources might use the liberal plan."

To use the chart to estimate your family's food costs:

— For members eating all meals at home—or carried from home—use the amounts shown.

— For members eating some meals out, deduct 5 percent from the amount shown for each meal not eaten at home. Thus, for a person eating lunch out five days a week, subtract 25 percent, or one-fourth the cost shown.

— For guests, add 5 percent of the amount shown for the proper age group for each meal.

Costs in the second part of the chart are for individuals in four-person families. If your family has more or less than four, total the "individual" figures and made these adjustments, because larger families tend to buy and use food more economically than smaller ones:

— For a one-person family, add 20 percent.

— For a two-person family, add 10 percent.

— For a three-person family, add 5 percent.

— For a five- or six-person family, subtract 5 percent.

— For a family of seven or more, subtract 10 percent.

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Details of the four family food plans are available from the Consumer Nutrition Division, Human Nutrition Information Service, USDA, Federal Building, Hyattsville, Md. 20782.

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COOPERATIVES INCREASE SHARE OF MILK SUPPLY

WASHINGTON, Dec. 2—Dairy cooperatives are marketing a growing share of the nation's milk and dairy products, according to a preliminary report by Randall E. Torgerson, administrator of the U.S. Department of Agriculture's Agricultural Cooperative Service.

Preliminary data from a survey of all dairy cooperatives in the Nation revealed a slow but steady increase in the cooperatives' share of raw milk marketed, along with increases for most manufactured dairy products, Torgerson said.

In 1980, members delivered to their cooperatives 77 percent of milk sold to plants and dealers, compared with 76 percent in 1973 and 64 percent in 1964.

Cheese sold increased to 47 percent, up from 35 percent in 1973 and 21 percent in 1964. Butter marketings held about steady at 64 percent, down slightly from 66 percent in 1973 and 65 percent in 1964. Marketing of dried milk and whey products rose to 85 percent in 1980, up from 73 percent in 1973.

Torgerson said significant gains were seen in the fluid processing and soft product industry sector, with 16 percent of the nation's milk now bottled by cooperatives, compared with 12 percent a decade ago and 9 percent in 1964. Cottage cheese shares increased from 13 percent in 1973 to 22 percent in 1980, while ice cream increased to 14 percent, up from only 5 percent in 1973.

Cooperative milk marketings increased significantly in New England, Central and Pacific regions, held about steady in the South Atlantic and decreased in the Middle Atlantic and Mountain regions.

Highlights of the report, "Operations of Dairy Cooperatives," by Thomas H. Stafford and James B. Roof, USDA economists, will appear in a future issue of USDA's "Farmer Cooperatives" magazine and later in complete published form.

USDA PROPOSES TO INCREASE OVERTIME RATES CHARGED TO MEAT AND POULTRY PLANTS

WASHINGTON, Dec. 2—The U.S. Department of Agriculture is proposing to increase overtime rates charged to meat and poultry plants for inspection from $19.76 to $20.44 per hour.

The hourly rate for voluntary inspection and certification services would increase from $17.12 to $17.72 under the proposal, and the charge for laboratory work from $31.00 to $31.28, according to Donald L. Houston, administrator of USDA's Food Safety and Inspection Service.

"On Oct. 1, the agency increased the rates for overtime inspection, identification or certification services to cover only the costs of providing these services in fiscal year 1984," said Houston. "The increases did not include pay raises for federal inspectors as they normally do, because Congress delayed the annual pay raise—required by the Federal Pay Comparability Act of 1970—until January 1984."

Service rates in this proposal are based on a 3.5 percent pay raise, he said.

Under the federal meat and poultry inspection laws, USDA must assume all inspection costs during routine working hours in plants producing meat and poultry products for interstate or foreign commerce. However, USDA is authorized to charge plants for all mandatory inspection services exceeding 8 hours per day or 40 hours per week, all laboratory work and all voluntary inspection and certification services.

Written comments should be sent by Jan. 3, to: Regulations Office, Attention: Annie Johnson, FSIS Hearing Clerk, Room 2637, South Agriculture Building, Washington, D.C. 20250.

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USDA PROPOSES REGULATIONS ON ENDANGERED PLANT SPECIES

WASHINGTON, Dec. 2—U.S. Department of Agriculture officials have proposed procedures to control shipments of endangered species of terrestrial plants.

USDA will hold public hearings Jan. 10 in Miami and Jan. 12 in Los Angeles to discuss the proposal.

B.W. Hawkins, administrator of USDA's Animal and Plant Health Inspection Service, said the proposed procedures will fully implement USDA's enforcement responsibilities under the Endangered Species Act of 1973 and the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

"While the policy responsibilities lie primarily with the U.S. Department of the Interior, USDA plant protection and quarantine officials control the movement of protected species of terrestrial plants through U.S. ports," Hawkins said.

Under the proposed regulations, commercial importers and exporters of terrestrial plants that are protected by the Endangered Species Act must obtain a general permit from the USDA to import or export such plants. USDA will charge a fee of $70 to cover administrative costs and inspections involved in issuing these general permits. The general permit would be renewable every two years.

The proposed regulations also include shipping requirements, validation procedures, recordkeeping requirements and forfeiture procedures.

Hawkins said the public hearings will begin at 10 a.m. with registration beginning at 9 a.m. The Miami hearing will be held at the Ramada Hotel, Miami International Airport, Mangrove Room, 3941 Northwest 22nd St., Miami, Fla. The Los Angeles hearing will be held Jan. 12 at the Sheraton Plaza La Reina Hotel, Room 204, 6101 West Century Blvd., Los Angeles, Calif.

In addition, written comments may be submitted until Feb. 6, to the Regulatory Coordination Staff, Rm. 728, Federal Building, 6505 Belcrest Rd., Hyattsville, Md. 20782.

Complete details of the proposal will be published in the Dec. 6 Federal Register.

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WASHINGTON, Dec. 2—The U.S. Department of Agriculture will accept comments until Feb. 4 on proposals to revise U.S. standards for grades of nonfat dry milk, both spray process and roller process, and for instant nonfat dry milk.

Edward T. Coughlin, dairy official with USDA's Agricultural Marketing Service, said the proposals provide editorial and format changes that modernize the standards. The proposed revisions were developed with the cooperation of the American Dry Milk Institute.

Comments should be sent in duplicate to the Hearing Clerk, Rm. 1077-S, USDA, Washington, D.C. 20250, where anyone may see them.

The proposed changes will be published in the Dec. 6 Federal Register. Further information can be obtained from Richard W. Webber, AMS, USDA, Washington, D.C. 20250. Phone: (202) 447-7473.

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